



SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments

ACTION: 60-day notice and request for comments.

SUMMARY: The Small Business Administration (“SBA”) intends to request approval from the Office of Management and Budget (“OMB”) for the collection of information authorized under OMB Control Number 3245-0071. The Paperwork Reduction Act (“PRA”) requires federal agencies to publish a notice in the Federal Register concerning each proposed collection of information before submission to OMB, and to allow 60 days for public comment in response to the notice.

DATES: Submit comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Send all comments to Mary Frias, Loan Specialist, Office of Financial Assistance, Small Business Administration, 409 3rd Street, 8th Floor, Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Mary Frias, Loan Specialist, Office of Financial Assistance, (202) 401–8234, mary.frias@sba.gov, or Curtis B. Rich, Management Analyst, (202) 205–7030, curtis.rich@sba.gov.

SUPPLEMENTARY INFORMATION: The 504 Loan Program is an SBA financing program authorized under Title V of the Small Business Investment Act of 1958, 15 U.S.C. 695 *et seq.* The core mission of the 504 Loan Program is to provide long-term financing to eligible small businesses for the purchase or improvement of land, buildings, and major equipment in an effort to facilitate the creation or retention of jobs and local economic development. Under the 504 Loan Program, 504 loans are made to small

businesses by Certified Development Companies (“CDCs”), and the 504 loans are funded with proceeds from the sale of debentures issued by CDCs and guaranteed by SBA.

The information collection that is approved under OMB Control Number 3245-0071 facilitates the ongoing administration of the 504 Loan Program. This information collection currently consists of SBA Form 1244, Application for Section 504 Loans; and SBA Form 2450, Eligibility Information Required for 504 Submission (Non PCLP).

SBA recognizes that this information collection needs to be modernized to meet the needs of small business applicants and CDCs. As a result, SBA intends to make revisions to this information collection that would streamline the process and reduce duplication for CDCs and the small business applicants. These revisions will result in SBA Form 2450 being cancelled and its contents substantially incorporated into SBA Form 1244. Additionally, three of the forms currently approved under OMB Control Number 3245-0346 (Form 2234 (Part A), Premier Certified Lenders Program (PCLP) Guarantee Request; Form 2234 (Part B), Supplemental Information for Premier Certified Lender Program (PCLP) Processing; and Form 2234 (Part C), Eligibility Information Required for 504 Submission (PCLP) will also be incorporated into SBA Form 1244. SBA is publishing a separate Federal Register notice regarding the revisions to the information collection under OMB Control Number 3245-0346.

Summary of changes to: OMB Control Number 3245-0071:

1. SBA Form 1244, Application for Section 504 Loans. This form is used by all small businesses applying for 504 loans and all CDCs applying for SBA guarantees of the debentures that are sold by CDCs to fund 504 loans. The SBA Form 1244 is currently used for all types of 504 loan processing — the Abridged Submission Method

(“ASM”), non-PCLP/ASM, and Premier Certified Lenders Program (“PCLP”) processing. As discussed below, SBA Form 2450 as well as SBA Form 2234 (Parts A, B, C), will be consolidated into this form. Additional changes to SBA Form 1244 are intended to provide greater clarity for small business applicants using the Eligible Passive Company/Operating Company (EPC/OC) structure, as described in 13 C.F.R. 120.111, ; that are owned by Employee Stock Ownership Plans; or are funded by 401(k) plans.

2. SBA Form 2450, Eligibility Information Required for 504 Submission (Non PCLP). Currently, this form is used by non-PCLP CDCs, including those CDCs using ASM processing, and is submitted in conjunction with the SBA Form 1244. The SBA Form 2450 is an eligibility checklist submitted by the CDC that allows SBA to determine the eligibility of the small business applicant and the 504 loan. SBA will be incorporating the content of the SBA Form 2450 into SBA Form 1244 and discontinuing the SBA Form 2450. The information that SBA will be collecting will remain substantially unchanged; however, the way in which the information is submitted will be revised. In some cases, the information will be submitted as part of the CDC’s credit memorandum, which is currently an exhibit to the SBA Form 1244. In other cases, the information will be submitted as a new exhibit to the SBA Form 1244.

3. SBA Form 2234 (Part A), Premier Certified Lenders Program (PCLP) Guarantee Request. This form is used for PCLP processing only, and serves as a cover sheet for the SBA Form 2234 (Part B) and SBA Form 2234 (Part C). To the extent that the information collected on this form is not already collected on the current SBA Form 1244, it will be incorporated into the SBA Form 1244, and the SBA Form 2234 (Part A) will be discontinued.

4. Form 2234 (Part B), Supplemental Information for Premier Certified Lender Program (PCLP) Processing. This form is used for PCLP processing only, and it collects quantifiable metrics for the 504 loan application. To the extent that the information collected on this form is not already collected on the current SBA Form 1244, it will be incorporated into the SBA Form 1244, and the SBA Form 2234 (Part B) will be discontinued.

5. SBA Form 2234 (Part C), Eligibility Information Required for 504 Submission (PCLP). Currently, this form is used for PCLP processing only. The SBA Form 2234 (Part C) is an eligibility checklist that allows a PCLP CDC to determine and certify to SBA the eligibility of the small business applicant and the 504 loan. SBA will be discontinuing this form and incorporating its content into the SBA Form 1244. The requested information will remain substantially unchanged. In some cases, the information will be submitted as part of the CDC's credit memorandum, which is currently an exhibit to the SBA Form 1244. In other cases, the information will be submitted as a new exhibit to the SBA Form 1244.

Solicitation of Public Comments:

SBA is requesting comments on (i) whether the collection of information is necessary for the agency to properly perform its functions; (ii) whether the burden estimates are accurate; (iii) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (iv) whether there are ways to enhance the quality, utility, and clarity of the information.

Summary of Proposed Information Collection:

Title: Application for Section 504 Loans.

Form Number: SBA Form 1244, Application for Section 504 Loans

OMB Control Number: 3245-0071

Description of Respondents: Small business concerns applying for 504 loans and CDCs applying for guarantees of debentures to fund 504 loans.

Total Estimated Number of Respondents Annually: 7210

208 CDCs and approximately 5,800 small businesses based on the average number of applications received by SBA in FY19 5,829 using the PCLP, ASM and non-PCLP/ASM methods. Of the 5,800 applications submitted, 23 or 0.39% are PCLP processed, 4,621 or 80% are ASM, and 1,156 or 20% are non-PCLP/ASM.

Frequency of Response Annually: 1 per each small business applicant

Total Estimated Annual Responses: 5,800

Total Estimated Annual Hour Burden: 13,159

Submission through the PCLP--- 23×3.25 hours = 74.75 burden hours.

Submission through the ASM— $4,621 \times 2.25$ hours = 10,397 burden hours. Submission through non-PCLP/ASM — $1,097 \times 2.45$ hours = 2,687 burden hours.

Curtis Rich,
Management Analyst

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